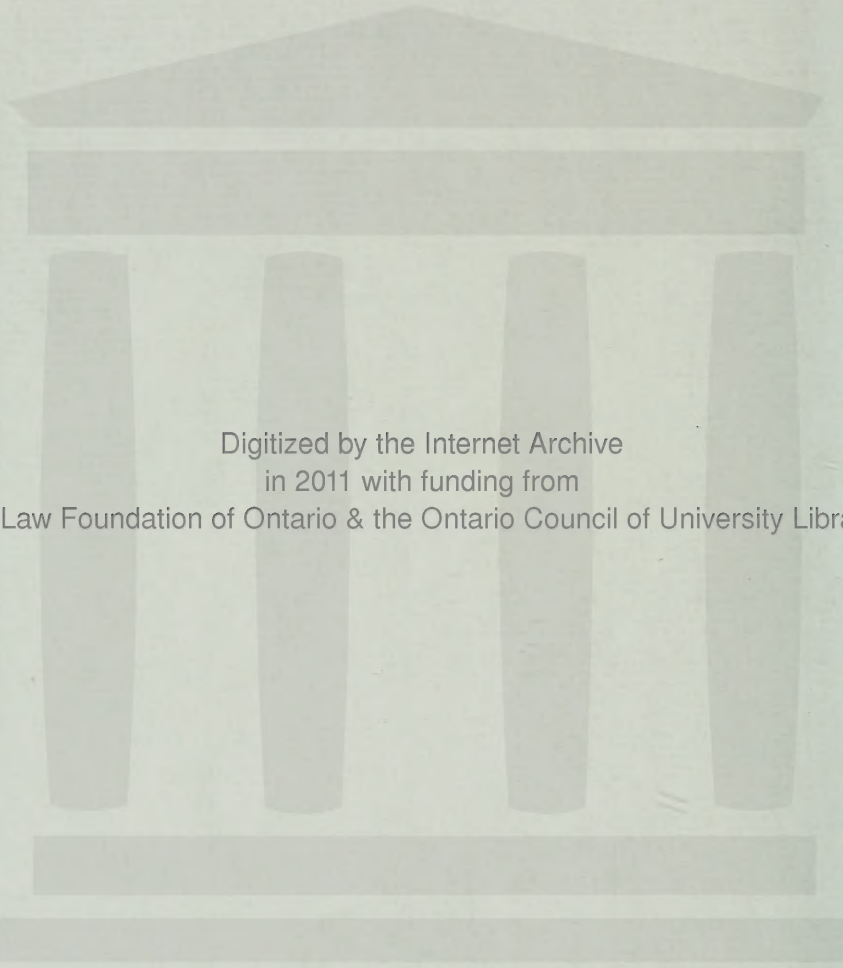


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COMMISSION OF ENQUIRY
KAPUSKASING COLONY
1920

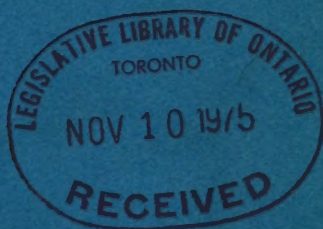


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REPORT
COMMISSION OF ENQUIRY
KAPUSKASING COLONY
1920

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO:

Printed and Published by A. T. WILGRESS, Printer to the King's Most Excellent Majesty
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THE RYERSON PRESS

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REPORT COMMISSION OF ENQUIRY KAPUSKASING COLONY, 1920

To His Honour the Lieutenant-Governor in Council.

Your Commission, appointed February 21st, 1920, to inquire into and report upon the administration, management, conduct, discipline, equipment and welfare of the Soldiers' Settlement Colony at Kapuskasing, and any other matters or questions arising thereout or in the course of the inquiry and for the purpose aforesaid, to take evidence and collect all such data and information as may be deemed advisable, and to make a report or reports thereon, with such recommendations as the said Commissioners may think desirable, begs leave to report as follows:

That statements of all settlers who appeared and desired to be heard and of those concerned with the administration of the Colony were heard in Toronto and at the Colony Farm, Kapuskasing; that numerous documents touching the Colony's establishment, maintenance and government were read and considered, and that, while at Kapuskasing, visits were paid to many of the settlers' homes, and an inspection made of most of the Colony buildings.

As the Great War, which had its inception on the 4th of August, 1914, progressed, it became steadily more apparent that the food requirements of the nation necessitated increased production, with the result that from every side came calls for a "back to the land policy." Individuals and Governments were equally insistent. In 1917 the problem of the returned soldier, in some cases disabled and in many unable to carry on his previous vocation, pressed for solution. It was, therefore, but natural that in a Province like Ontario, with its vast undeveloped areas capable of food production, a scheme of land settlement for returned men would be propounded.

The first public announcement of what subsequently became known as the "Kapuskasing Colony Scheme" was made in a speech delivered in Toronto in January, 1917, by the then Minister of Lands, Forests and Mines, the Hon. G. Howard Ferguson, who gave publicity to the information that it was the intention of the Government to found a "Soldiers' Colony" in the southern part of the clay belt of Northern Ontario. Details, in print, of the scheme appeared in a circular of February of the same year.

Legislation passed the House and was assented to on the 12th of April, 1917,—see The Returned Soldiers' and Sailors' Act, 7 George V, chapter 13, by which provision was made amongst other things for setting apart and appropriating any territory which the Lieutenant-Governor in Council might deem suitable for settlement and cultivation for the purpose of the scheme, and that the lands so set apart should be reserved for location by persons who since the 4th day of August, 1914, had enlisted for active military or naval service with the British forces out of Canada against the King's enemies. Authority was also given for making regulations respecting settlement.

The scheme contemplated the establishment of a colony, the site for which was finally chosen east of the Kapuskasing River, at its intersection with the National Transcontinental Railway and south of the railway, the settlers being located in the areas contiguous thereto. The Minister of the day reached his conclusion, impressed as he says by,—

- (a) The quality of the soil of the district, a deep clay loam.
- (b) The beauty of the landscape.

(c) The existence of an agreement with the Dominion Government, to whom the Ontario Government had transferred a large area for the establishing of an experimental farm on the west bank of the river, just opposite the Colony site.

(d) The desire to establish a Colony with the national aspirations of a well-disposed group of returned men.

(e) The water powers of the locality available for industrial development.

Early in 1917, and again in December, booklets were published and circulated giving particulars of the scheme, and the daily press also made known what was being done and was under consideration.

It was provided that to each applicant the Government would make a grant of a tract of eighty acres—subsequently increased to one hundred—upon which a clearing of ten acres (ready for the plough) on the front of each location, would be made at Government expense. A grant of \$150 toward the cost of erecting a house, and a loan not exceeding five hundred dollars was promised.

Provision was also made for the establishment of a farm, with necessary buildings, and a central depot, with stock and implements, which were to be available on easy terms for the settlers.

Attention should also be directed to the provision for the training in land clearing and simple farming operations of accepted applicants at the Experimental Farm at Monteith, where a training school was erected at a cost of forty thousand dollars, or thereabouts.

A method of selecting settlers was adopted, by which a committee was appointed, composed of—

(1) Albert Grigg, Deputy Minister of Lands and Forests, representing the Department of Lands, Forests and Mines.

(2) C. F. Bailey, Assistant Deputy Minister of Agriculture.

(3) J. B. Laidlaw and Major Christie, representing the Soldiers' Aid Commission.

(4) Wm. Banks, Sr., representing the Canadian Patriotic Fund.

(5) W. W. Nichol, representing the Vocational Training School.

(6) W. E. Turley, representing the Great War Veterans' Association.

(7) Capt. Charles MacKay, M.D., representing the Invalided Soldiers' Commission.

This committee was to pass on the suitability of applicants for the work to be undertaken, provided their physical fitness and freedom from communicable disease had been determined by the Medical Officer on the committee.

The minutes of the committee indicate much activity at the beginning, but it appears that as time passed, the activities of the members lessened and finally ceased. The first party of men, numbering twenty-four, was selected to go to Monteith on June 13th, 1917, in charge of Major Kennedy, now the member for Peel in the Legislature.

Instruction at Monteith did not progress as had been expected. The men were anxious to go forward to the settlement at Kapuskasing, and resented being held at Monteith doing work that they thought could be quite as well learned at their new home.

In some cases the prospective settler did not seem to value the opportunity for instruction nor to respect the authority of the instructors.

As a result, toward the latter part of July, the group left Monteith for Kapuskasing, and later on it was decided not to send the settlers to Monteith for training, but directly to Kapuskasing for practical experience and training at the Colony.

It is well, perhaps, here to direct attention to the fact that in the light of after experience it would have been better if the fitness of the men for pioneer work had been more searchingly considered before sending them to the Colony, and even afterwards to have returned, as unsuitable, those who did not measure up to requirements, rather than to have permitted those unfit for pioneer life to remain at Kapuskasing, not only to the disadvantage of the Colony, but also to the disadvantage of the men themselves and their families as well.

Originally it was represented that during training settlers would be paid on a military basis for service at the rate of \$1.10, with board, seven days a week, for unmarried men, with, for married men, an allowance of \$5.00 for wife and \$6.00 for each child under sixteen per month—these allowances were in lieu of moneys received by the dependants from the Patriotic Fund, but were not to exceed \$50.00 per month—and \$20.00 further for the wives of married men, equal to separation allowance during service.

Discontent soon developed among the single men. During active service the difference between what the single man received and what the married man directly and indirectly received was not apparent, but different conditions existed at the Colony, where each knew what the other was getting; the single man was irritated and took exception to the married man with, for instance, a family of four under sixteen, receiving \$83.10 per month, while he received but \$34.10. As a result, in October, 1917, the basis of pay was changed, the single man receiving \$65.00 for a month of twenty-six working days, or at the rate of \$2.50 per day, and board, while the married man received the same sum as a minimum, and more if the military pay scheme warranted it.

Nothing would be gained by tracing in this report the complex and varying pay schemes that were evolved to meet the ever-changing conditions of colony life. Let it suffice to state that each change appears, from the information given, to have worked what was thought in individual cases to be a hardship, with the result that one of the greater of the lesser grievances is the change of pay so often made. In justice to the settlers it should be stated, however, that it was most unfortunate that what the settlers regarded as their rights were apparently often adversely affected by changes considered necessary owing to unanticipated conditions, without consultation with or concurrence by those affected. Conference and co-operation would have created good feeling, where arbitrary rulings provoked discord.

The original plan was for the men to work in groups under competent instructors, slashing, burning, clearing, and building, but this did not long prevail, as the more ambitious and energetic of the settlers did not view with favour the work done by their less able or less willing companions. A popular demand soon arose for the contract system, that is, the awarding to the settler of a contract for the performance on his own location or elsewhere of a definite work for a stated price per acre. In this way it was anticipated that the energetic settler, willing to work with vigour efficiently for long hours, would secure results more to his satisfaction than by working in the group system.

Toward the close of 1917, or early in 1918, the contract system was, therefore, adopted, and prevailed, where desired, until the autumn of that year. The experience of 1918 showed that, while the skilful and energetic made progress and money, others were not getting their holdings cleared satisfactorily, and were, as a result, remaining "on the scheme" unreasonably long. In the spring of 1919 the Department refused to continue the contract system, and the group system was again adopted as the method of procedure, to the annoyance of many settlers, who

had, by their industry, done well and made good wages working by contract. Attention should be here directed to the allegation by several settlers that, having been unable to fulfil the requirements of their contracts in 1918, they had been promised a renewal of them for 1919, and that, when this was refused, great indignation was felt, particularly by those who, owing to the anticipated renewal, had done work in the winter and at other times along the lines of their contract for which no payment has been made, and for which responsibility will not be admitted. The failure to continue the contract system in 1919 is another cause of complaint. However, while it is to be remembered that the scheme of the settlement was agricultural rather than industrial, and that the aim was to get the ten acres cleared, the settler's house erected, and to have him "off the scheme" as promptly as considerations of convenience and conditions permitted, yet, on the other hand, as there is not now sufficient remunerative work to be had in the Colony for the settlers, it is not surprising that resentment is felt by those whose ten-acre clearings are only about one-fourth the size required to produce a living for a family by agriculture alone. For the same reason resentment is felt by the settler that contracts for clearing land, by which good wages could be made, are not now to be had.

On the 18th of March, 1918, the Government announced in the press that it had granted a concession for pulp operations over a large area adjacent to the Colony site, and it is to be regretted that for financial and other reasons the work has not been carried to completion. If the mill were in operation to-day a good deal of the distress in the Colony would be relieved. Many of the settlers construe what was announced in 1918, and repeated thereafter, as a promise by the Government that the erection of the pulp-mill would be begun at once. It is true that the concession was not granted at the time the Colony scheme was launched, but on the other hand it is impossible to deny that the representations since early in 1918, from which the anticipations of the settlers naturally arose, have caused a grievance. And it is not surprising that in his distress the settler now feels that he was misled; "Hope deferred maketh the heart sick."

To understand the difficulties of the Colony to-day, it is necessary to bear in mind the nature of the forest and soil at Kapuskasing and in the clay belt generally. About seventy per cent. of the land is covered with a forest growth of spruce, 2,500, or more, trees per acre, with a small percentage of balsam; the largest trees are about twelve inches in diameter, but most of them are much smaller. On the other thirty per cent. there is larger spruce, poplar, and balm of Gilead, but on some of the drier parts the balm of Gilead is replaced by white birch. Though this large timber is more valuable than the smaller stuff, the difficulty of removing the stumps is also much greater. In the seventy per cent. of spruce-covered area the surface is usually covered with moss varying in thickness from a few inches to a foot or more. Under the moss is a layer of decayed vegetable matter, locally called muck, ranging in thickness from a few inches in the drier parts to a few feet in the wetter parts.

To clear such land economically, the marketable timber is removed, the remainder slashed, usually into neat windrows, and, when thoroughly dry, burnt. If what is called a "good burn" is secured, most of the poles and moss will be gone. The removal of the green stumps is a very costly operation, and is one of the main reasons for the large expenditure for clearing land at the Colony; but if they be left for three or four years, to allow the roots to decay, they may be easily pulled, bringing with them any remaining moss. They are then piled up and burnt.

Those who have had considerable experience in clearing this land advise sowing grass seed on it as soon as the brush and poles are burnt, and leaving it in pasture until the roots are so rotten that the stumps can be easily gathered and burnt. This also gives an opportunity for the water to drain away, so that the soil is drier and warmer.

As has been stated, this takes time, four or five years, if done economically, with the assistance of the forces of nature. During this time of waiting, the settler, if without capital, must earn most of his living by other means than agriculture, provided he has not sufficient land ready for cultivation, gradually but slowly proceeding with his clearing. From the point of view of climate, clearing in a large way is absolutely necessary if tender crops are to be grown, for the reason that the moss-covered soil retains the cold and frost of winter far into the summer months, with the result that summer and early fall frosts often strike small clearings in such areas, when adjacent large clearings do not suffer. In this connection it may be pointed out that while the crops of the settlers at Kapuskasing suffered from frost in 1918 and 1919 to such an extent that in most cases they either did not ripen or were totally destroyed, evidence was produced to show that at the Dominion Experimental Farm just across the river from the Colony, and within a quarter of a mile of it, no injury was done by frost in either year. The explanation given is that the large cleared area of the farm, well surface-drained and deeply ploughed, permitted early planting in a warm soil, and that the heat absorbed during the day protected by radiation the crops from the night cold.

One is apt to overlook, if inexperienced, unless attention is drawn to it, that there is a complete absence of grass for summer pasture until a clearing has been made and the land seeded to grass. The cost of keeping horses and cattle is, therefore, very great, as all food has to be imported.

Attention should further be directed to the necessity of the settler having from thirty-five to fifty acres cleared and cultivated before a living may be had from the soil alone. To the average settler without capital the clearing of such a tract is a matter of some years, during which he must find ways not directly connected with agriculture to earn enough to provide for the maintenance of his family, and to enable him to work on his holdings during the summer.

It is to be regretted that in the various publications setting forth the advantages of the Colony to the returned men, greater emphasis was not laid on the conditions, difficulties and problems of the district. Without experience of the conditions to which attention has been here directed, many of those who took advantage of the offer of the Government gained very little idea of pioneer life in Northern Ontario from a reading of the literature procurable, and when faced with unexpected, but not unusual conditions, cursed the country and the Government which had induced them to come to it, believing their experiences were out of the ordinary and not anticipated by those in authority.

From what has been stated in this respect as to methods of work and rates of pay at the Colony, it will be seen that, for the most part, up to the fall of 1919, the settler had had his work found for him and almost wholly controlled by officials of the Government, having been paid for all work done, even that done on his own farm.

Contrasted with this, the ordinary pioneer, as soon as he gets a shack built, some little clearing done, a few potatoes and vegetables planted, looks about for work to enable him to make enough to keep his family in the meantime and over the following summer. He usually finds this in a lumber camp—perhaps many

miles from his home—sometimes in the sale of timber from his own lot, or possibly assisting a neighbour who has saleable timber. But all the time he is wholly dependent on his own resources to make a living for himself and family. On the other hand most—if not all—of the Kapuskasing settlers tacitly inferred from the pamphlets published by the Ontario Government, and from conversation with its officials, that the responsibility for providing them with work and good wages at their own homes was entirely assumed by the Government. As a consequence, when the Department began to press them, in the autumn of 1919, to depend for their support on cutting and selling pulpwood, sawlogs and firewood at market prices, the great majority, for various reasons, found themselves unable to make ends meet. Some of these reasons may be conveniently grouped here—

- (a) Army life had tended to weaken personal initiative.
- (b) The paternalism of the scheme further weakened personal initiative.
- (c) Many were averse to leaving their families, to seek for remunerative employment beyond the Colony.
- (d) Unfamiliarity with the work of clearing land, and with timber operations generally. (Some settlers complained that they had received no proper instruction in such work.)
- (e) Physical and temperamental disability, and in some cases unwillingness to learn.
- (f) Disappointment at finding that pioneer life was much more strenuous and much less rosy than they had pictured it. (This weakened morale.)
- (g) Difficulties connected with the community use of horses, etc., supplied by the Government.
- (h) The seasons of 1918 and 1919 had both been more discouraging than the average for pioneer work. For example, the summer of 1918 was throughout this part of Northern Ontario more frosty than usual. The seeding time of 1919 was unusually wet, the growing time was unusually dry, and from the latter part of August the weather was almost continually wet until the freeze-up. The new settler naturally assumed that such seasons were normal.

The most serious personal difficulty was the fact that many of the men and women were by their natural disposition and previous occupation and experience quite unsuited to pioneer life.

Many of the men at Kapuskasing felt that having been overseas for a considerable time they should now have work such that they could be at home each night at least; but the exigencies of pioneering often make it necessary for the pioneer to find work under such conditions that he must be away from home for weeks and even months at a time, especially during the winter. To those women who had been brought up in towns or cities, life in a shack in the bush, a considerable distance from neighbours, and with nearly impassable roads, and their husbands away, seemed too high a price to pay for what they were getting or hoped to have. Hence the very general demand by both men and women that work, at good wages, should be provided for the men within easy reach of their own homes. Moreover, many of them, from their previous training and experience, were entirely unable to accomplish the amount of bushwork in a given time which was necessary to earn current wages.

The work of market gardener, plumber, moulder, carpenter, etc., is very far from fitting a man for pioneering in Northern Ontario. It may be said quite generally that to be a successful pioneer in such a district requires a combination of

qualities physical and mental, natural and acquired, which many of these people did not possess, and indeed could not be expected to possess.

The settler also had a grievance arising from the fact that the powers of the Superintendent were not clearly defined. The settler might make a proposition to the Superintendent, and be told that dealing with such a proposition was not in the hands of the Superintendent. When the settler wrote to Toronto, he would be informed that the Superintendent had power to deal with such matters. In illustration of the difficulties which arose in this way, the change from group work to contract work, which has already been mentioned, may be referred to. Colonel Innes tried, in 1918, the plan of giving contracts for clearing the land; for one reason or another, several settlers were unable to complete their contracts that season, and it is stated that Colonel Innes promised them that their contracts would be renewed in 1919. In the meantime, however, he ceased to be Director, and Mr. Sheppard was placed in charge, but with less power, and was given the general instruction to "grant no more contracts." Nothing was said about the renewal of contracts which Colonel Innes had promised, and Mr. Sheppard, acting on his instructions that no more contracts should be given, refused these renewals, with the result that some of the settlers felt that they had been unfairly treated. Your Commission believes—

(a) That if Mr. Sheppard had had authority, he would have given these renewals.

(b) That if Mr. Grigg had known all the circumstances, he would have authorized these renewals to be given.

Several similar cases of difficulty arising from divided responsibility came before the Commission.

It should, perhaps, be pointed out that to fill adequately the position of Director or Superintendent of such a Colony, under the conditions obtaining in Kapuskasing, a very unusual combination of qualities is required such as, a thorough knowledge of—

(a) The best methods to apply to the whole process of clearing that class of land.

(b) The best methods of selling, cutting, hauling, etc., of all the kinds of saleable timber found there.

(c) The best methods of preparing a good seed bed in such land.

(d) The most desirable crops to be planted at first on such soil as that in Kapuskasing.

He should also have a good faculty of conveying this knowledge to settlers, he should have the ability and tact necessary to stimulate those under him to do their best, and last—but certainly not least—he should have an unfailing fund of sympathy for all the varied types of men and women who are in most cases dependent on him for encouragement, instruction and advice.

Your Commission has no hesitation in saying that not one of those placed in charge possessed all these qualifications, and some of them possessed scarcely more than one or two of them.

With reference to those in charge of the Colony it should also be said that (with the exception of Colonel Innes, who was given an absolutely free hand as Director) neither of them had his duties and responsibilities sufficiently defined, with the result that their efficiency was often handicapped, and their authority weakened, by the delay caused through having to write to the Department for instructions.

From the point of view of management, another serious cause of weakness in administration was the frequent changes. Not one of them was in office for twelve months: the man would scarcely get familiar with the whole complex situation when, for one reason or another, he quit the job. Your Commission did not investigate the reasons for such frequent changes, being of the opinion that such investigation would give little or no aid to the solution of the present difficulty.

The first Superintendent of the Colony was Major J. L. Kennedy, a member of the C.E.F., who had served in France and been injured. It will be remembered that he went to Monteith with the first group of men, and then on to Kapuskasing with them, where he continued as Superintendent till April, 1918, when Lieut.-Colonel Innes, an overseas man who had served in France, was appointed Director, and placed in charge of the whole scheme, Major Kennedy remaining for a few months in order that Colonel Innes might have an opportunity to size up the situation. His powers were much more extensive than those of the Superintendents, and he appears to have acted more on his own initiative and judgment, and less under Departmental control than these officers. Neither Major Kennedy nor Colonel Innes received any remuneration from the Province, the services of the latter being loaned by the Department of Militia and Defence. Colonel Innes continued as Director till he resigned in November, 1918, when Captain Fishwick, who had been appointed in April, 1918, as Farm Superintendent, took charge as Acting Superintendent till April 30th, 1919, when Mr. H. E. Sheppard, also an overseas man, was appointed Superintendent, and who still continues in that office.

From statements made by those who were heard, it would appear that it was not the practice of those in authority at Kapuskasing to keep, as should have been done, an account of the clearing cost of the various ten-acre plots, whether done by the group system or by paid assistance, but from such information as could be had it was manifest that the expenditure was heavy—this may have been to some extent unavoidable—as the help was sometimes inefficient and indifferent, the work necessarily done in haste rather than with a desire to practise economy.

Many complaints have been made by settlers as to the cost of their houses and buildings being in excess of the estimate furnished them by those in charge at Kapuskasing, and allegations made that more material was charged for than was actually used in the buildings, and that the labour costs were excessive, due to unskilled help and lack of industry on the part of those employed to build. The present Superintendent frankly admitted that he had had five houses measured to check the quantity of lumber used with the quantity of lumber charged to the settler, and that in each case he had found less lumber in the building than the quantity alleged to have been used. Some evidence was adduced to show that the time of those engaged in construction was not spent to advantage. This could not be followed to a conclusion, however, as the former supervisors and those at one time engaged at Kapuskasing are not now there. It is, however, obvious that the buildings of the settler should be valued by a competent man, and such credit allowed as the circumstances in each case warrant. Criticism has been made that green lumber was used in the house building, but this appears to have been unavoidable in the upbuilding of such a settlement.

Attention was given to the complaints as to poor supplies and high prices at the Colony. Investigation showed that in the main the quality of the general groceries was excellent, and that prices were not unfair, in fact low, considering conditions. It is to be remembered that prices have steadily advanced during late years, and that transportation costs have to be taken into consideration in deter-

mining what the settler must pay. The object was to so conduct buying and selling that store and supply operations would as nearly as possible balance. On a turnover of from \$80,000 to \$90,000 in 1918, a profit of about \$6,500 is shown, and, as against this, clerical help, cartage, deterioration of buildings, fuel, etc., must be allowed. In 1919, regardless of the above items, the loss was \$435. The net profit for the two years would approximate \$2,000 to \$2,500.

It is admitted that losses were sustained on produce and by meat of inferior quality and poor condition being accepted, without credit being had from the purveyor. In one instance credit was given, but on other occasions it appears that losses were borne that should have been avoided if the selling and buying branches of the staff had been working systematically together. Even admitting the difficulties of transporting fresh meats in hot weather, and the unusual transportation problems of 1917, 1918 and 1919, yet satisfactory evidence was not produced to show that better conditions would not have existed if a more thorough inspection had been made and greater zeal shown in shipping, delivering and caring for the meats supplied the Colony. It is not disputed that in 1918 some cars of very poor hay reached the Colony. This seems to have occurred from the necessity of a shipment going from Matheson to meet the emergency of a shortage at the Colony. The hay sent had not had time to cure, and was pressed when damp. Shipment was made with the knowledge that it would be unsatisfactory, but with the idea that hay, even if poor, was better than none. It is not denied that as a result of this hay being fed, one horse died and many others were sick. At present the quality of the fodder is satisfactory. From time to time necessary supplies became exhausted before new goods were received, with great annoyance to the settler. It would appear that this could easily have been avoided if a careful estimate at all times had been kept of the requirements of the Colony and stocks on hand, and care taken to send requisitions in ample time to permit orders being given, if diligence were shown, and delivery made before the available supply at the Colony was exhausted.

At the Colony has been erected a large frame building, used in part for administration purposes and otherwise serving as a residence for some of the officials. There are also nineteen colony houses, which have been, and are now, used by settlers whose homes are not completed on their locations, and by others requiring accommodation. A central building houses a modern kitchen, dining-room, dormitory and recreation room. The kitchen and dining-room are most satisfactorily kept, but the dormitory and recreation room are most untidy, in fact dirty. A visitor could not help being impressed that there were no records for the gramophone, that the piano stool was in pieces, the cloth of the billiard-table torn, the cues in the main tipless, to say nothing of the floors, walls, cots, wash-basins, etc. Generally it may be stated that a visit to the Colony leaves the impression of a general condition of untidiness and lack of care in detail. There was evidence that beef, potatoes and flour were carelessly handled, entailing considerable loss.

In addition to the buildings above mentioned, there is a large stable, with ample accommodation for horses and fodder, a store building, a blacksmith's shop, saw-mill, planing-mill and laundry. What appears to be a well-built school has been constructed on the Colony grounds, but, owing to the fear of the "flu," the school was temporarily closed, and the children of the Colony could not be seen grouped, although many were met at the homes of the settlers which were visited. There is a railway siding about half a mile in length, serving the needs of the Colony. The laundry has not been used regularly, it was stated, for some time. If building

and equipment could have guaranteed success, the Colony should have prospered. The expenditure on the scheme till the 29th of February, 1920, has been, as appears from the records, as follows:

Monteith, from 1917 to February, 1920	\$108,964 81
Kapuskasing, from 1917 to February, 1920	876,853 56
Toronto office, from 1918 to February, 1920.....	8,790 31
<hr/>	
Total	\$994,608 68

Less Refunds.

Sale of stores, supplies, etc.:

From 1917 to February, 1920	\$142,902 00
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Balance	\$851,706 68

As against this expenditure there is \$55,817.17 due for accounts and loans on houses.

The making of roads and building of bridges has cost as follows:

Building bridge, from 31st Oct., 1918, to 29th Feb., 1920..	\$21,066 91
Clearing land and making roads, from 31st Oct., 1918, to	
29th Feb., 1920	166,493 75
<hr/>	
	\$187,560 66

Consideration of these figures, in connection with the preceding part of this report, shows that the Province has spent a large amount of money for very small returns, and your Commission is of the opinion that the unsatisfactory conditions should have been dealt with at a much earlier date.

All the essential facts stated in this report were known to those in authority at least twelve months ago, and action should have been taken to deal with the situation, not only in the interests of the Kapuskasing settlers, but also in the interest of the Province as well.

From the testimony of the settlers themselves as to the amount of money they brought into the Colony, the gratuities, etc., they received from the Dominion Government, the amount they earned while on the Ontario Government pay roll in one capacity or another, it is impossible to resist the conclusion that most of them spent money much more lavishly than pioneer conditions warrant.

The Commission is of the opinion that little or no weight ought to be attached to the statements of the Kapuskasing soldier settlers with reference to the agricultural possibilities of that district. Their knowledge of the best methods of treating the soil and of general farming operations in such a district was entirely too limited to entitle their judgment to much consideration.

From their study of the whole situation, your Commission has reached the conclusion that it is not practicable for them to deal with each individual settler's case by itself, but that some general plan must be recommended. They are also convinced that no solution of the difficulty can be proposed which will be equally fair to all parties.

Your Commission wish to emphasize particularly the fact that the condition of the settler in Kapuskasing is such that immediate action on the part of the Government is imperative.

Your Commission recommends:

1. (a) That the houses and buildings on the location should be valued by a competent valuator, to determine whether or not an overcharge was made for work done for, or materials supplied to, the settler.

(b) That in the event of it being ascertained that there was such an overcharge, credit should be given the settler.
2. That to each of the settlers whose application was accepted, and who entered prior to the inauguration of the 1919 scheme, and who has not ceased to be a member of the Colony, should be given the privilege of electing either to remain in the Colony or leave it.
3. (a) That in the event of his electing to leave, the value of his house and buildings should be the amount determined by the valuator to whom reference has above been made.

(b) That the value of the obligation of the Government for a ten-acre clearing ready for the plough, either done or to be done, should be fixed at \$1,000.

(c) That from the aggregate of the value of the house and of such other buildings as the settler may have, and said sum of \$1,000, and any other sum due the settler by virtue of the provision of subsection (g) of this section, should be deducted the indebtedness of the settler, and the balance, less any indebtedness incurred since March 15th, 1920, should be paid him in monthly instalments of \$100, the first of such payments to be made on the day of April, 1920.

(d) That in the event of it being determined that the balance coming to any settler as of March 15th, 1920, is less than \$500, said settler should be paid that amount, less any indebtedness incurred since March 15th, 1920, in the manner above mentioned.

(e) That each of said settlers should be entitled to free transportation for himself, his family and effects to any point in Ontario chosen by him.

(f) That in the event of any settler satisfying the Department that it would be advantageous for him that the whole or any portion of what is coming to him be immediately paid, such payment should be made.

(g) That in the event of a settler having any clearing ready for the plough beyond the Government ten acres, he should be credited in addition to the amount heretofore mentioned at the rate of \$50 per acre for not more than ten acres.

(h) That all settlers deciding to leave, and being indebted for animals purchased, should return the same to the Government and be credited with the amount paid and have claim for the balance of the purchase price cancelled.

- (i) That in the adjusting of balances, account should be taken of all sawlogs, pulpwood, railway ties, or other timber cut but not delivered.
- 4. (a) That in the event of his electing to remain, he should be given the privilege of receiving as a gift a horse from amongst those at the Colony and a half-set of double harness, and the sum of \$200, payable quarterly in advance, the first of such payments to be made on the day of April, 1920. Priority of selection of horses to be determined by priority of application to enter the Colony.
- (b) That if any such settler does not desire to accept a horse, etc., he should be given \$450 in lieu of the horse, harness and \$200 before mentioned.
- (c) That farms left vacant by those who elect to leave the Colony should be available for transfer to those at outlying points (such as Harty) who elect to remain, and that these settlers should be urged to make the transfer. In such cases generous terms of adjustment should be given by the Government.
- (d) That seed grain for this spring's sowing should be supplied free to those settlers who elect to remain, provided each furnishes the Superintendent with a list of his requirements before the day of April, 1920. The choice should be confined to spring wheat, oats and barley, with timothy seed and clover seed for seeding down.
- (e) It is obvious to those who understand Northern Ontario pioneer conditions, that until the settler has cleared land sufficient to allow a living being made on it by farming, work and wages must be available to meet living expenses. Unless, therefore the contemplated pulp-mill be operated at Kapuskasing some other means of livelihood must be available.

This applies only to those who have not sufficient marketable timber on their own farms to enable them to make a living, and it is suggested that work might be provided by giving them contracts for slashing, as part of the general policy of clearing the land.

In giving these contracts it would be desirable that they should be awarded in such a way as to prevent any settlers getting an undue advantage as against other settlers in the amount of clearing on any one farm.

For those who have no pulpwood or other marketable timber on their lots, contracts for slashing should be given to enable them to make a living, while clearing their land. Not more than \$500 should be allowed to any one settler, and this only for the season of 1920-21.

- (f) That in the event of the number of settlers electing to remain warranting the expense, an adviser of broad qualifications should be placed in the Colony for one year, whose duties would be to offer advice and instruction in all phases of the settler's work. Neither the Government nor the adviser should be held responsible for the results of such advice.

That the advisability of continuing the adviser for a second year should be decided by the Department of Lands and Forests in consultation with the settlers. The salary of the adviser should be paid by the Government.

5. That the Department of Labour should do everything possible to secure for settlers leaving the Colony satisfactory positions at their chosen destinations.
6. (a) That in the event of the Government not wishing to retain the Farm, it, together with all the buildings upon it (except the school site and school building) should be offered for sale.

(b) That as quickly as conditions permit, the organizations should be disbanded, men discharged, horses and plant (not accepted or purchased by the settlers who elect to remain) and all other goods and materials be sold.
7. That the settlers who elect to remain should be advised to form a school section as quickly as possible, and that the Government should pay the salary of the teacher or teachers for at least two years.
8. That having regard to the undisputed disadvantages of the 1919 scheme, and the allegations of the men who entered under it that they are unable to carry on, some assistance should be given them in the way of land clearing, in order to place them in a more advantageous position.
9. That the acceptance by a settler of the terms herein mentioned should free the Government from all obligations to such settler.
10. That the decision reached by the Government should be communicated at once to every settler in the Colony, with the further information that each settler must elect what he will do before the day of April, 1920, and that, should any settler fail to elect before that date, it will be assumed that the Government has no further responsibility to him.

All of which is respectfully submitted,

(Signed) W. F. NICKLE, *Chairman.*
JOHN I. MCLAREN.
JOHN SHARP.

Toronto, March 16th, 1920.

